

Department of Social and Health Services

**DP Code/Title: M1-93 Mandatory Caseload Adjustments**

**Agency Wide**

There are 5 Programs in this DP

Budget Period: 2003-05      Version: ZW temp roll up as of 11-12 for rpt

**Recommendation Summary Text:**

**Program(s): 030**

This item reflects the impact of changes in the Medicaid caseload forecast for Fiscal Years 2004 and 2005. The number of Medicaid eligibles is the basis for funding levels to the Regional Support Networks (RSNs). This is based on the Caseload Forecast Council (CFC) October 2003 forecast. Statewide result number 5.

**Program(s): 040**

This decision package requests funding for forecast changes in the Medicaid Personal Care (MPC) program. Caseload changes from the Caseload Forecast Council (CFC), October 2003 Forecast as well as, associated per capita changes are reflected. Statewide result number 5.

**Program(s): 050**

This decision package reflects the costs and savings associated with caseload changes in the October 2003 Forecast from the Caseload Forecast Council (CFC). These caseloads are the basis for the October 2003 Long-Term Care forecast produced by the Department of Social and Health Services' (DSHS) Office of Forecast and Policy Analysis (OFPA). Statewide result number 5.

**Program(s): 060**

This decision package reflects the costs and savings associated with caseload changes in the October 2003 Forecast from the Caseload Forecast Council (CFC) and the Office of Forecasting and Policy Analysis (OFPA) for the Economic Services Administration (ESA). Statewide result number 5.

**Program(s): 080**

This is a request for funding adjustments to meet the projected expenditures resulting from changes in Medical Assistance Administration (MAA) maintenance level caseload and utilization of medical services by clients of MAA, as estimated in the Medical Assistance October 2003 forecast. Statewide result number 5.

**Fiscal Detail:**

**Operating Expenditures**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	25,574,000	23,682,000	49,256,000
001-2 General Fund - Basic Account-Federal	(918,000)	(918,000)	(1,836,000)
001-7 General Fund - Basic Account-Private/Local	6,812,000	4,160,000	10,972,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	(577,000)	422,000	(155,000)
001-C General Fund - Basic Account-DSHS Medicaid Federa	(32,228,000)	(50,759,000)	(82,987,000)
001-D General Fund - Basic Account-TANF (DSHS)	9,235,000	10,616,000	19,851,000
760-1 Health Services Account-State	(17,381,000)	(26,953,000)	(44,334,000)
<b>Total Cost</b>	<b>(9,483,000)</b>	<b>(39,750,000)</b>	<b>(49,233,000)</b>

**Staffing**

**Package Description:**

**Program(s): 030**

Funding for mental health services for low-income individuals is allocated through a per capita payment from the state to the RSNs. Adjustments to the caseload forecast for Medicaid eligibles result in changes to the level of funding provided for community mental health programs administered by the RSNs. This item requests funding related to the change in forecasted Medicaid eligibles for Fiscal Years 2004 and 2005.

**Program(s): 040**

MPC is a legislatively authorized Medicaid State Plan service that provides assistance to individuals needing help with activities of daily living, such as eating, toileting, ambulation, positioning, dressing, bathing, essential shopping, meal preparation, laundry, housework, and supervision. It is an entitlement for every individual who meets the Medicaid financial and program eligibility criteria.

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This step requests funding for the caseload growth, using the most current CFC forecast of MPC growth for children and adults, and the average expenditures for children and adults based on per capita expenditures as forecasted by the Department of Social and Health Services, Office of Forecasting and Policy Analysis.

Forecasted caseload for MPC is 11,338 for Fiscal Year 2004 and 11,927 for Fiscal Year 2005.

Note: The additional state funding in Fiscal Year 2005 is due to a technical correction to appropriately align the state/federal split.

**Program(s): 050**

This decision package reflects the costs and savings associated with changes in the number of clients who are expected to utilize the major services provided by Washington State's Long-Term Care (LTC) programs. It is based on the October 2003 CFC caseload forecasts for Nursing Homes and Home and Community Services programs.

	Fiscal Year 2004	Fiscal Year 2005
Nursing Facilities	12,562	12,220
In-Home Services	25,446	26,127
Adult Family Homes	3,363	3,426
Adult Residential Care	1,505	1,517
Assisted Living	4,632	5,265

Also included are caseload changes for Adult Day Health and Private Duty Nursing using forecasts developed by OFPA.

**Program(s): 060**

ESA provides work-related services, child support services, financial, food, and other assistance to eligible clients. This request reflects the changes associated with the Department of Social and Health Services (DSHS) OFPA and the CFC caseload projections for ESA. The forecast for ESA programs includes caseload and cost estimates for: Temporary Assistance for Needy Families (TANF), Child Support Recoveries, General Assistance (GA), Diversion Cash Assistance (DCA), Refugee Cash Assistance (RCA) and Consolidated Emergency Assistance Program (CEAP).

RCA - The dollar adjustments associated with this request is estimated to be \$918,000 for State Fiscal Year's 2004 and 2005.

TANF Assistance - TANF provides cash assistance for families, which must include a child (or a pregnant woman with no other children) who is in financial need. The adjusted need is approximately \$11.2 million in State Fiscal Year 2004 and \$13.6 million in State Fiscal Year 2005.

GA - This program provides cash assistance for low-income adults who are unemployable based on a medical impairment and/or applying, and appear to be eligible for federal Supplemental Security Income (SSI) benefits. The adjusted need is approximately \$10.9 million for State Fiscal Year 2004 and \$14.9 million for State Fiscal Year 2005.

CEAP - The dollar adjustments associated with this request is estimated to be \$176,000 for State Fiscal Year's 2004 and 2005.

DCA - This program provides a once in a 12-month payment (up to \$1500) to overcome a temporary emergency. The dollar adjustment associated with this caseload is estimated to be \$1.7 million in State Fiscal Year 2004 and \$2.8 million in State Fiscal Year 2005.

Child Support Recoveries - The Division of Child Support (DCS) provides collection services to custodial parents regardless of their participation in a grant program. Collections for families on assistance are retained by the state and shared with the federal government. This request requires an adjustment of (\$1.2) million in State Fiscal Year 2004 and an additional \$844k in State Fiscal Year 2005.

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**Program(s): 080**

This decision package includes a funding adjustment for MAA medical services related to changes in the number of Caseload Forecast Council eligible persons as well as utilization of medical services.

Factors that affect utilization include changes in the intensity and duration of care, technology, and changes in the configuration of services provided to clients.

**Narrative Justification and Impact Statement**

*How contributes to strategic plan:*

**Program(s): 040**

The Division of Developmental Disabilities (DDD) will develop and improve partnerships with families and communities, moving toward increased opportunities for individual self-determination.

**Program(s): 050**

Caseload changes reflect the administration's goals to "Provide Public Value" by strengthening LTC information and assistance efforts; "Address Client and Family Needs" by facilitating upgrades to community-residential care models to enhance quality and accountability; and strengthening the home care program, including strategies to improve the LTC home care workforce. Caseload changes also reflect the administration's goal of "Budget Performance and Economic Value" by managing access to Medicaid long-term care benefits and reducing unnecessary nursing facility capacity and Medicaid nursing facility caseload.

The forecasted caseload changes indicate a decrease in nursing home beds. This and other forecast driven caseload changes reflect the agency balanced scorecard goals of ensuring a safety net is in place for people of need, clients maintain maximum independence, services are of high quality, people participate in choices about their services, and clients experience stability.

The Governor's goals to achieve high performance government, improve quality and customer service, and to increase the safety and security of Washington State residents are also supported.

**Program(s): 060**

Maintain a safety net for people in poverty by providing the highest quality public assistance and child support services.

**Program(s): 080**

This step contributes to the agency's strategic plan by assuring that MAA clients have access to quality health care services.

***Performance Measure Detail***

**Program: 030**

**Goal: 09C Optimize services within resources**

No measures submitted for package

**Incremental Changes**

**FY 1**

**FY 2**

**Program: 040**

**Goal: 01D Improve partnership with families/communities, toward opprtnty & self-determin.**

No measures submitted for package

**Incremental Changes**

**FY 1**

**FY 2**

**Program: 050**

**Goal: 01E Ensure access to an array of optional long-term care services**

No measures submitted for package

**Incremental Changes**

**FY 1**

**FY 2**

**Program: 060**

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**Goal: 02F Maintain safety net for people in need.**

Incremental Changes

FY 1

FY 2

No measures submitted for package

**Program: 080**

**Goal: 10H Assure access to high quality health care**

Incremental Changes

FY 1

FY 2

No measures submitted for package

***Reason for change:***

**Program(s): 030**

This changes funding for the RSNs according to the authorized model. As the number of eligibles changes, funding levels change accordingly.

**Program(s): 040**

This decision package reflects the costs associated with the latest (in this case October 2003) CFC caseload forecast.

**Program(s): 050**

The expenditures presented in this decision package reflect the most current caseload forecasts for Long-Term Care programs.

**Program(s): 060**

The adjustment for each caseload reflect forecasted changes in the number of cases and/or cost per case for which grants must be provided. The changes associated with each caseload do not reflect any change in the type or level of service provided by ESA.

**Program(s): 080**

The forecasted changes in the MAA caseload result in a funding adjustment to maintain health services coverage at current levels for additional MAA clients.

***Impact on clients and services:***

**Program(s): 030**

This funding will allow the RSNs to continue providing the current level of services.

**Program(s): 040**

This step reflects the costs associated with providing services to the number of clients eligible, under current law, for the DDD Medicaid Personal Care program.

**Program(s): 050**

This step reflects the costs associated with providing services to the number of clients eligible under current law for LTC programs.

**Program(s): 060**

By ensuring that adequate funding is available for the changing caseloads, the department will be able to provide grants to those who meet current program requirements.

**Program(s): 080**

This step includes funding projected as necessary to maintain existing services in the amount, duration, and scope as are available to persons who are currently eligible for medical assistance and for the additional persons who will become eligible for medical assistance.

***Impact on other state programs:***

**Program(s): 030**

None

**Program(s): 040**

Failure to adequately fund the forecasted caseloads could increase the demand for and growth in out-of-home residential services provided by DDD and the Aging and Disability Services Administration (i.e. nursing facility services).

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**Program(s): 050    060**

None

**Program(s): 080**

Funding in this step directly affects clients of virtually all other Department of Social and Health Services (DSHS) programs. MAA is obligated to pay the costs of certain necessary medical services for eligible MAA clients served by the Aging and Adult Services Administration, for medical assistance-eligible children served by the Children's Administration, and for eligible Health and Rehabilitative Services Administration clients. Basic medical care services for eligible DSHS populations are the responsibility of MAA.

***Relationship to capital budget:***

**Program(s): 030    040    050    060    080**

Not applicable

***Required changes to existing RCW, WAC, contract, or plan:***

**Program(s): 030**

No revisions are needed if funding is approved. It is likely that numerous RCW, WAC, and State Plan revisions would be required if funding for this step is not approved.

**Program(s): 040**

None

**Program(s): 050**

No revisions needed if funding is approved.

**Program(s): 060**

No revisions are needed if funding is approved.

**Program(s): 080**

No revisions are needed if funding is approved. Numerous RCW, WAC, and State Plan revisions would be required if funding in this step is not approved.

***Alternatives explored by agency:***

**Program(s): 030**

None

**Program(s): 040**

The MPC caseload is considered an entitlement, thus no alternatives were explored.

**Program(s): 050**

Alternatives have been explored in the past and the caseload driven forecast method has been determined as the most appropriate for providing the balance of service and funding requirements.

**Program(s): 060**

Not applicable

**Program(s): 080**

The requested funding adjustment supports the provision of medical service to MAA clients who are, for the most part, a population served under the Medicaid entitlement program. Therefore, no alternatives have been explored concerning other means of meeting these costs attributable to medical service utilization. MAA has systems in place that are intended to ensure that all services provided to clients are based on medical necessity and to identify and manage over-utilization of services when needed. MAA continues to seek ways of improving these utilization management systems.

***Budget impacts in future biennia:***

**Program(s): 030**

Costs associated with the caseload in future biennia will be determined by future caseload forecasts.

**Program(s): 040**

Costs will carry forward into future biennia at Fiscal Year 2005 funding levels and will be adjusted by future caseload

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forecasts.

**Program(s): 050**

Future biennia budget impacts will be driven by caseload trends. Caseload levels experienced in Fiscal Year 2005 can be expected to carry forward into future biennia.

**Program(s): 060**

Costs associated with the caseload in future biennia will be determined by future caseload projections.

**Program(s): 080**

This caseload is forecasted every budget cycle.

***Distinction between one-time and ongoing costs:***

**Program(s): 030    040    050**

Costs in this package are ongoing.

**Program(s): 060**

The forecasted caseloads will have ongoing costs in future biennia.

**Program(s): 080**

Costs are ongoing.

***Effects of non-funding:***

**Program(s): 030**

If this item is not funded, there may be adverse affects to mentally ill clients who do not receive the services they need. Some impacts could include more costly consequences, such as expensive state hospital services, court-ordered treatments, and increased demand on the Department of Corrections system.

**Program(s): 040    050**

Changes in eligibility would be required if funding is not available for increased caseload census.

These changes would mean that clients currently receiving services, and those who might need services in the future may not have access to those services.

It is likely that numerous RCW, WAC, and State Plan revisions would be required if funding is not approved.

**Program(s): 060**

These caseloads are forecasted programs. If they are not funded, clients will be affected through eligibility restrictions or waiting lists.

**Program(s): 080**

Non-funding of the caseload step is likely to result in the termination of coverage for certain optional eligibility groups and/or elimination of certain optional medical assistance services.

***Expenditure Calculations and Assumptions:***

**Program(s): 030**

See attachment - MHD M1-93 Mandatory Caseload Adjustments.xls

**Program(s): 040**

See attachment - DDD M1-93 Mandatory Caseload Adjustments.xls

**Program(s): 050**

See attachment - LTC M1-93 Mandatory Caseload Adjustments.xls

**Program(s): 060**

See attachment - ESA M1-93 Mandatory Caseload Adjustments.xls

**Program(s): 080**

Please see November 2003 MAA forecast.

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<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>				
N	Grants, Benefits & Client Services	(9,483,000)	(39,750,000)	(49,233,000)
<b>DSHS Source Code Detail</b>				
<b>Overall Funding</b>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	25,574,000	23,682,000	49,256,000
<i>Total for Fund 001-1</i>		<b>25,574,000</b>	<b>23,682,000</b>	<b>49,256,000</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>				
<u>Sources</u>	<u>Title</u>			
566B	Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	(918,000)	(918,000)	(1,836,000)
<i>Total for Fund 001-2</i>		<b>(918,000)</b>	<b>(918,000)</b>	<b>(1,836,000)</b>
<b>Fund 001-7, General Fund - Basic Account-Private/Local</b>				
<u>Sources</u>	<u>Title</u>			
5417	Contributions & Grants	6,812,000	4,160,000	10,972,000
<i>Total for Fund 001-7</i>		<b>6,812,000</b>	<b>4,160,000</b>	<b>10,972,000</b>
<b>Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi</b>				
<u>Sources</u>	<u>Title</u>			
563A	Title IV-D Child Support Enforcement (A) (FMAP)	(577,000)	422,000	(155,000)
<i>Total for Fund 001-A</i>		<b>(577,000)</b>	<b>422,000</b>	<b>(155,000)</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	(32,284,000)	(50,803,000)	(83,087,000)
19UL	Title XIX Admin (50%)	56,000	44,000	100,000
<i>Total for Fund 001-C</i>		<b>(32,228,000)</b>	<b>(50,759,000)</b>	<b>(82,987,000)</b>
<b>Fund 001-D, General Fund - Basic Account-TANF (DSHS)</b>				
<u>Sources</u>	<u>Title</u>			
558B	Temp Assist for Needy Families (TANF) (100%)	9,235,000	10,616,000	19,851,000
<i>Total for Fund 001-D</i>		<b>9,235,000</b>	<b>10,616,000</b>	<b>19,851,000</b>
<b>Fund 760-1, Health Services Account-State</b>				
<u>Sources</u>	<u>Title</u>			
7601	Health Services Account	(17,381,000)	(26,953,000)	(44,334,000)
<i>Total for Fund 760-1</i>		<b>(17,381,000)</b>	<b>(26,953,000)</b>	<b>(44,334,000)</b>
<b>Total Overall Funding</b>		<b>(9,483,000)</b>	<b>(39,750,000)</b>	<b>(49,233,000)</b>

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**Funding Totals by Program**

Dollars in Thousands

<b><u>Program</u></b>	<b>FTE's</b>		<b>GF-State</b>		<b>Total Funds</b>	
	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
030 Mental Health	0.0	0.0	(326)	356	(694)	712
040 Div of Developmntl Disab	0.0	0.0	(39)	773	(704)	(1,224)
050 Long Term Care Services	0.0	0.0	1,038	3,972	2,096	7,968
060 Economic Services Admin	0.0	0.0	10,511	15,467	18,251	25,587
080 Medical Assistance	0.0	0.0	14,390	3,114	(28,432)	(72,793)
<b>Grand Total:</b>	<b>0.0</b>	<b>0.0</b>	<b>25,574</b>	<b>23,682</b>	<b>(9,483)</b>	<b>(39,750)</b>